

, State of California

Business, Transportation and Housing Agency

DEPARTMENT OF TRANSPORTATION

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 13-14, 2003

Reference No.: 3.5  
Information Item

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Chief Financial Officer

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Chief  
Division of Budgets

Ref: **OVERVIEW OF FY 2003-2004 BUDGET**

An overview of the Fiscal Year (FY) 2003-2004 State Budget will be given at the meeting.

# DEPARTMENT OF TRANSPORTATION

## Highlights of FY 2003-04 Enacted Budget

# Legislative Changes to the May Revision

- Early Repayment of \$173 million cash loan to the State Highway Account
  - Loan from the State Highway Account to the General Fund made in FY 2002-03.
  - Originally scheduled to be repaid in FY 2004-05.
  - Funds not expected until September 2003

# Legislative Changes to the May Revision

(continued)

- **Transportation Investment Fund changes**
  - \$189 million transferred to fund expenditures for TCRP projects with current allocations. Amount includes funding for project delivery support.
  - \$100 million transferred to the SHA as a partial repayment of outstanding loans scheduled to be repaid in future fiscal years.
  - The TIF suspension will now be considered a loan in the amount of \$856 million to be repaid in June 2009.

# May Revision Items Approved

## **Transportation Investment Fund Actions**

- Suspension of the transfer of \$187 million to local governments in FY 2003-04.
- Suspension of allocation of \$187 million for STIP projects in FY 2003-04.
- Suspension of transfer of \$37 million to the PTA in FY 2003-04.
- Suspension of transfer of \$37 million to Local Transit Assistance in FY 2003-04.
- All are considered as loans to be repaid in FY 2008-09.

# May Revision Items Approved

(continued)

- \$98.4 million total funds to support 1,365 Capital Outlay Support staff for project delivery and construction support. (the Section 4.10 reduction exercise may eliminate most of this increase)
- Deferral of a \$500 million General Fund Loan repayment from FY 2003-04 to FY 2008-09.
- Suspension of the “spillover tax” scheduled to be transferred to the PTA (\$80 M) will now be retained by the General fund

# May Revise Item Not Approved

- The Legislature did not enact a new commercial vehicle weight fee schedule to generate \$100 in revenue for the SHA.

# State Operations Changes in FY 2003-04 Budget

- The overall State Operations budget decreases by 5% or \$152 million
  - Capital Outlay Support is down 2%
  - Traffic Operations and Maintenance is down 6%
  - All other departmental activities are down 9%
- The budget for State Operations included reductions of \$177 million in reductions over two fiscal years to assist in ensuring the solvency of the SHA



# **State Operations Changes in FY 2003-04 Budget**

- \$71.8 million in operating expenses have been reduced and redirected to fully fund personal services in FY 2003-04.
- Section 4.10 of the Budget Act requires the State to achieve \$1 billion and 16,000 positions in savings. The department estimates that its share of the reduction could be as much as \$193 million (12%) and over 1,000 positions.